



Introduction

Created by the Illinois General Assembly in 1939, TRS has grown to be one of the largest teachers' retirement systems in the United States with more than 234,000 active members, annuitants, and benefit recipients.

We provide retirement benefits for teachers who are employed by all Illinois public common and charter school districts located outside the city of Chicago. The Illinois Pension Code contains the laws relating to our creation, benefits, and administration.

Administration

An 11-member Board of Trustees governs TRS. The board includes the state superintendent of education, four members of TRS who are elected by active members, four representatives of the public who are appointed by the governor, and two retired members who are elected by annuitants. The Board of Trustees appoints the executive director, who is responsible for the detailed administration of TRS. A listing of our trustees and administrators is printed on the inside of the back cover.

Funding

We have several sources of funding:

- ★ member contributions,
- ★ investment income,
- ★ employer contributions, and
- ★ appropriations from Illinois state government.

As an active member, you contribute 9.4 percent of your salary toward retirement each year. We invest these assets to create investment income. Our investment portfolio, which is managed by external investment management firms and monitored by our investment staff and consultant, includes

stocks, bonds, real estate, cash and equivalents, and private markets. Employer contributions and appropriations from Illinois state government make up the remaining funding sources.

As an agent for the Illinois Department of Central Management Services, we collect additional contributions from active members and employers to help fund the Teachers' Health Insurance Security (THIS) Fund. Revenues from the THIS Fund are used to finance the Teachers' Retirement Insurance Program (TRIP). Federal law prohibits TRS monies from being placed in the THIS Fund.

Qualified pension plan status

TRS operates a qualified pension plan under provisions of the Internal Revenue Code, Section 401(a). The advantages of being a qualified plan include:

- ★ tax-sheltering of mandatory retirement contributions in the year that they are made to TRS;
- ★ deferral of income taxes on contributions until your retirement, at which time your effective tax rate may be lower; and
- ★ tax-free accumulation of interest credited to you by TRS.

To maintain our qualified pension status, we must meet certain Internal Revenue Service requirements, including:

- ★ annual benefit, salary, and contribution limitations,
- ★ compensation that may be reported for benefit calculation purposes,
- ★ benefit eligibility provisions,
- ★ benefit distribution limitations, and
- ★ rollover restrictions.

We are dedicated to complying with all requirements for qualified plans.

Confidentiality

All information contained in a member's record is confidential. We provide such information to the member, to others at the member's written request, to other retirement systems subject to the Illinois Retirement Systems Reciprocal Act, to the Illinois Department of Central Management Services for annuitant health insurance purposes, and to the Social Security Administration for government pension offset determination and windfall elimination purposes. Member information also may be given pursuant to a subpoena issued during court proceedings.

Administrative review

Any member, annuitant, beneficiary, or employer may appeal a staff determination or interpretation of the Illinois Pension Code or the TRS rules which specifically affects them to the Board of Trustees Claims Hearing Committee by filing a written request for an administrative review with the executive director no later than six months after the staff disposition or interpretation is given.

